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S E C R E T SECTION 01 OF 03 KATHMANDU 001423

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LONDON FOR POL/GURNEY
NSC FOR MILLARD

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TAGS: [PGOV](#) [PTER](#) [PINS](#) [CASC](#) [NP](#)

SUBJECT: NEPAL: MAOISTS REPORTEDLY IN DELHI CONSIDER THE
GOVERNMENT'S OFFER

REF: A. A. KATHMANDU 1413

[1](#)B. B. KATHMANDU 1418
[1](#)C. C. KATHMANDU 1041
[1](#)D. D. KATHMANDU 1388
[1](#)E. E. KATHMANDU 848
[1](#)F. F. STATE 219519
[1](#)G. G. NEW DELHI 4101 (NOTAL)
[1](#)H. H. NEW DELHI 219512

Classified By: Ambassador Michael E. Malinowski for reasons 1.5 (b) and
(d).

Summary
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[1](#)1. (S) In a series of meetings with Government of Nepal (GoN) negotiators and security officials on July 30, the Ambassador discussed development in the GoN's exchanges with the Maoist leadership over the previous twenty-four hours. The GoN formally responded to the Maoists' recent demands on July 29, offering concessions in a number of areas but distancing itself from controversial decisions reportedly made during the first two rounds of peace talks. The spokesman for the government negotiating team feels that the GoN has done all it can and the ball is firmly in the Maoists' court. The Nepal police believe that the Maoist leadership is unsure how to address the GoN's response. The police also have reports that top Maoist leaders are meeting in Delhi to consider their next move and are working to solicit support from the European Commission and the Indian government. The police chief does not predict that the Maoists pose a heightened risk to Americans in Nepal, but will likely continue with their rhetoric. The GoN requests strong U.S. Government support should the cease-fire break. End summary.

Maoist Leadership Undecided on Conflict?
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[1](#)2. (C) The Ambassador met with Inspector General of Police (IGP) Shayam Bakta Thapa to discuss developments during the last twenty-four hours. The IGP reported that the Government of Nepal's (GoN) July 29 letter has thrown the Maoist leadership, presently meeting in Delhi, into a dilemma on how to proceed. He believes that the Maoists did not expect the government to provide any concessions or take their demands seriously. IGP Thapa also reported that the Maoists in New Delhi were preparing letters to Ambassador Caillouet, Head of the European Delegation in New Delhi, and to the Government of India to appeal for their assistance. IGP Thapa complained about the continuing lack of Indian assistance to rein in the Maoists. He recalled events of several years ago when a joint operation by the Royal Nepalese Army and Indian police to arrest Maoist leaders meeting in Gorakhpur, India was called off with a phone call from Delhi.

[1](#)3. (C) According to the IGP, the Nepalese police learned that during the cease-fire the Maoists collected limited amounts of explosives, weapons, and ammunition but that the Maoist leadership and affiliated organizations do not want to return to armed struggle. That said, both IGP Thapa and the Ambassador assessed that the Maoists have bellies of cadre to be both fed and politically fired and that the group cannot sit idle for fear of losing their standing force through desertion.

[1](#)4. (C) When the Ambassador asked for the IGP's overall assessment of the situation, he replied that, "yesterday, I thought the cease-fire would break; today, I am more hopeful." He continued to say that if it did break, more of the fighting would take place in urban areas, i.e., Kathmandu Valley. He bemoaned the return to combat that has already seen the deaths of 996 Nepalese police officers. IGP Thapa also assessed that the Maoists would not likely target Americans, but would continue verbal threats.

Ball in Maoists' Court
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15. (SBU) Minister for Information and Communications and GoN negotiation team spokesperson Kamal Thapa phoned the Ambassador to update him on the government's reply to the Maoists. Late July 29, the GoN sent a response to the Maoists' July 28 letter addressing each of their five ultimatata and the July 31 deadline. Thapa reported that in recognition of the gravity of the situation, the government had no choice but to send a prompt reply. (Demands made by the Maoists were reported ref A.)

-- Demand 1, Execution of Previous Agreements: On July 29, the GoN released three Maoist central committee members (ref B) and one recently arrested Maoist extortionist; made public the whereabouts of 36 Maoists (15 of whom were killed prior to the cease-fire); and committed to publishing the government's information on all 322 persons listed as missing by the Maoists. The GoN reportedly had committed to these steps in previous rounds of negotiations.

-- Demand 2, Role of the King in the Peace Talks: The GoN response to the Maoist demand reiterated King Gyanendra's June 5 announcement that he was conferring executive power on the Prime Minister and Cabinet (ref C). (Note: The GoN response carefully avoided a commitment to involve the King directly in future rounds of peace talks. End note.)

-- Demand 3, Role of the Royal Nepalese Army (RNA): The GoN affirmed that the RNA is a constitutional body, will follow the government's orders, and faithfully implement decision reached at the peace talks. (Note: The government did not address the 5-kilometer restriction on military movements reportedly agreed to during the second round of talks, ref D. End note.)

-- Demand 4, Abrogation of Antiterrorism Training Agreement (ATA) and Termination of U.S. Security Assistance: The GoN responded that the ATA is an international agreement that supports GoN policies in countering terrorism (ref E). The GoN response went on to state that ATAs have been signed by a number of countries, including India, in order to better coordinate technical assistance. Thapa reported that the letter described exchanges between the U.S. and the RNA as "normal and historical."

-- Demand 5, Public Announcement of the GoN Political Agenda for the Peace Talks: The GoN's response stated simply that the government's agenda would be tabled when talks resumed.

16. Thapa reported to the Ambassador that the government has demonstrated maximum flexibility in its response to the Maoists. He stated further that the "ball is firmly in the Maoists' court;" the government can make no more concessions. The GoN has not yet received a response from the Maoists. Thapa is hopeful that growing public pressure will force the Maoists to reply. Thapa does not expect an immediate return to hostilities; however, he believes that the Maoists will attempt to play the government for additional time and concessions.

17. The Ambassador advised Thapa of the talking points Post will deliver to Maoist representatives today (ref F; details on the delivery will be provided septel). The Ambassador and Thapa committed to remain in touch.

The Government Asks for Strong USG Support

18. (C) In a meeting with the USAID Country Director and the Ambassador, Minister of Finance and government negotiation team head Prakash Lohani described the state of the negotiations. He judges that former minister and negotiator Narayan Singh Pun had made serious missteps by allowing the Maoists to engage in broad negotiations and agreeing to consider the country as divided into two parts, the Maoists in the rural areas and the GoN in the cities. Lohani also believes that Pun gave the Maoist negotiators an unrealistic vision of the peace process, which has now become the primary obstacle to further peace talks. Informal discussions by Ministers Thapa and Lohani with Maoist negotiators Krishna Bahadur Mahara and Ram Bahadur Thapa (a.k.a., Badal) have been reasonable; however, Lohani believes they represent the minority view among the Maoist leadership. Lohani also reported that the Maoists appeared to believe that the King was in agreement on the 5-kilometer restriction on the RNA. Lohani stated that not only was the King unaware of the demand, but the issue was not even discussed with the RNA.

19. (C) Lohani reaffirmed that the GoN would continue efforts to save the cease-fire and revive peace talks. He noted, however, that all of the concessions, from the code of conduct to the two rounds of peace talks have been made by the Government. The GoN has even overlooked massive and systematic Maoist violations of the code of conduct in order to avoid disruption of the talks. Lohani expressed the hope that the GoN's July 29 response would strengthen moderate Maoists to stand up to their more aggressive party cadres. Should the Maoists renew violence, Lohani requests strong

support from the U.S. Government.

Government Releases Maoists from Prison
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10. (U) As reported in ref B, the GoN released central committee members Mumaram Khanal, Rabindra Shrestha, and Bamdev Chetri and student leader and extortionist Gyanendra Tripathi (a.k.a. Sanjay Sharma). Tripathi was arrested two weeks ago with hundreds of thousands of rupees in cash from a recent Maoist extortion drive. In a public statement, Minister for Information and Communication Thapa highlighted that the government has released 1,513 Maoists from jail since the beginning of the cease-fire.

Post Comments
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11. (C) Government Response: The Cabinet's response to the Maoists' demands reflects a much more organized and nationalistic approach to the negotiations than exhibited by the government's previous negotiators in the two rounds of peace talks and in the code of conduct agreement. This more professional negotiating style may have altered Maoist calculations on the degree to which they can achieve their aims through negotiations. Discussions with key personnel today gave a slightly more optimistic assessment of the situation than yesterday. Despite the GoN's efforts over the last twenty-four hours to accommodate the Maoists' demands, the government is taking steps to respond to a resumption of violence.

12. (S/NF) Maoist Safehavens in India: Continued reports on Maoist leadership meetings in India belie repeated assertions by the Indian government that they are doing all they can (ref G) to deny the Maoists the use of Indian territory. Post welcomes the Department's instructions regarding an urgent demarche to appropriate and effective levels of the Government of India (ref H).
MALINOWSKI